

BRITISH COLUMBIA'S

Small Business Roundtable

Small Business Roundtable

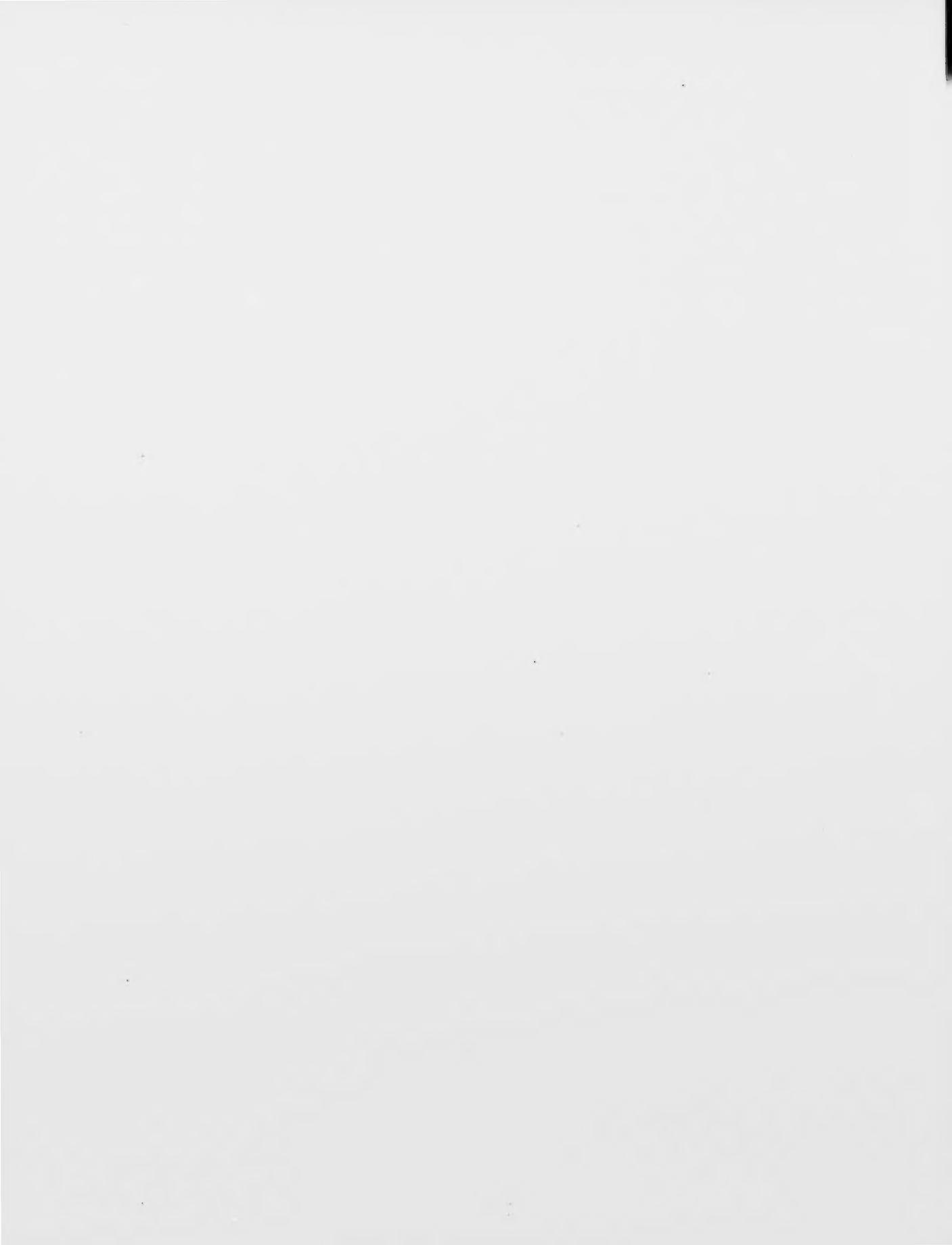
3rd Annual Report to Government
October 2008

*Making British Columbia
the most small business friendly
jurisdiction in Canada.*

www.smallbusinessroundtable.ca

Contents

- 1 Message from the Vice Chair**
- 3 Our Commitments**
- 6 Roundtable Recommendations
to Government and Small Business**
- 8 Year in Review**



Message from the Vice Chair



It is my pleasure to present the Small Business Roundtable Annual Report for 2008. This report summarizes the Roundtable's activities since our second Report to Government in October 2007.

Over the past three years, the Roundtable has met with over 460 small business owners and held 26 small business consultations in all regions of the province. Key challenges facing small business continue to revolve around recruitment, retention and training of employees; regulatory complexity imposed by all levels of government; and tax competitiveness. These areas were the main focus of the Roundtable's recommendations in its previous annual reports.

The Roundtable was pleased with the October 2007 release of the Action Plan for Small Business by the Government of British Columbia. This Plan outlines a number of initiatives the government is undertaking to support small business growth and success in British Columbia. Many of the initiatives respond directly to recommendations made in previous Roundtable Annual Reports, and address issues raised by small business owners during consultations.

The Roundtable has had a busy year. We have worked in partnership with the provincial government, providing feedback and advice on Action Plan initiatives, and worked with all levels of government to encourage implementation of programs that enhance the regulatory environment of the province.

I would like to welcome our new Chair, Honourable Kevin Krueger, Minister of Small Business and Revenue and Minister Responsible for Regulatory Reform. With his support, I am confident the province will continue to make great strides in achieving its goal of becoming the most small business friendly jurisdiction in Canada.

On behalf of the Roundtable members, I would like to acknowledge the tremendous contribution of Rick Thorpe, MLA for Okanagan-Westside and previous Minister of Small Business and Revenue and Chair of the Small Business Roundtable. Rick's dedication and commitment to small business, and his vision and enthusiasm for an ongoing dialogue with the small business community have made the Small Business Roundtable a success.

In closing, I would like to acknowledge the contributions of our retiring board members: Lita Powell, President, Li-Car Management Group, Fort St. John; Bruce Sutherland, President, Wolftek Industries Inc., Prince George; Bruce Hryciuk, Senior Partner, Hryciuk Gallinger & Co. Inc., Certified General Accountants, Cranbrook; and, Barrie Carter, President, Carters Jewellers Ltd., Smithers.

I would also like to acknowledge the lasting contribution of Roundtable member Kathy Barnett, who passed away in September 2007. Kathy was President and Publisher of Pique Publishing Inc., Whistler. Kathy's energy and enthusiasm for small business and her ongoing support for women entering small business are sadly missed.

On behalf of the Small Business Roundtable,

A handwritten signature in black ink, appearing to read "Linda Larson".

Linda Larson,
Vice Chair, Small Business Roundtable



Kathy Barnett
Honoured for her two years
of service to the Roundtable
(2005-2007), Kathy passed
away in September 2007.

Our Commitments

The Small Business Roundtable was established in 2005 with a mandate to provide small business with a voice in government by:

- engaging in a dialogue with small business to identify key issues and opportunities,
- developing recommendations to government and to small business owners on strategies to enhance small business growth and success, and
- championing small business interests in the province.

The Roundtable is chaired by the Minister of Small Business and Revenue, and has 21 board members selected for their leadership in the small business community. Information on board members is provided on the Small Business Roundtable Website at www.smallbusinessroundtable.ca.

Dialogue with Small Business

Since its inception in 2005, the Roundtable has held 26 small business roundtable consultations throughout the province, engaging over 460 small business owners to identify key small business issues and opportunities in their respective regions.

In 2007, Roundtable members also toured small businesses in eight locations, providing the opportunity for small business owners to express their views and share their ideas in a casual setting, and for Roundtable members to see small business innovators in action.

Table 1 identifies the locations of the small business consultations and tours. Additional consultations are scheduled for the fall of 2008.

Table 1: Small Business Roundtable Consultations and Business Tours, November 2005 through January 2008

Year 1 – 2006	Year 2 – 2007	Year 3 – 2008
Consultations	Consultations	Consultations
Abbotsford	Campbell River	Burnaby
Burnaby	Merritt	Port Alberni
Courtenay	Prince George	Powell River
Cranbrook	Revelstoke	
Dawson Creek	Vernon	Planned Consultations for 2008/09
Fort St. John		
Kamloops	Business Tours	Castlegar
Kelowna	Campbell River	Chetwynd
Nanaimo	Langley	Kamloops
Penticton	Merritt	North Vancouver
Prince George	North Shore	Port Moody
Quesnel	Parksville	Prince Rupert
Richmond	Revelstoke	Taylor
Smithers	Richmond	Terrace
Surrey	Vernon	Victoria/Saanich Peninsula
Vancouver		
Victoria		
Williams Lake		

Recommendations

Based on discussions with small business owners, the Roundtable made recommendations to the small business community and to government on ways to support small business growth and development, and enhance the small business climate in British Columbia. These recommendations were published in the Small Business Roundtable Annual Reports of 2006 and 2007, available on the Small Business Roundtable Website at www.smallbusinessroundtable.ca.

Championing Small Business Interests

Over the past year, the Roundtable has worked in partnership with the provincial government, providing oversight and advice on Action Plan initiatives. Our role is to ensure a small business perspective is central to all services, programs and tools delivered as part of the Action Plan.

This Annual Report focuses on work undertaken by the Roundtable, jointly and independently, to support initiatives that further the growth and success of the small business community in British Columbia.

Roundtable Commitments 2007

In the 2007 Annual Report, the Small Business Roundtable committed to champion issues and activities in support of small business with focus on 5 areas:

- 1. Human resource access, development, and education**
- 2. Regulatory reform at all levels of government**
- 3. Climate action issues and opportunities**
- 4. Reducing tax complexity for small business and ensuring tax competitiveness**
- 5. Enhanced small business training and information resources with increased access in all regions of British Columbia**

Roundtable Recommendations

Based on the consultations, small business tours and affiliated work of the roundtablemembers, the Roundtable makes the following recommendations to government and the small business sector.

Advice to Government

- Continue to dialogue with small business, forging partnerships with public and private sector organizations that can deliver services and tools which respond to the key issues of human resources recruitment, retention, and training, as well as small business succession planning.
- Complete the Action Plan for Small Business, and look for new initiatives that will further enhance the growth and success of small business in the province.
- Foster partnerships with federal and local governments to work on joint initiatives to enhance the regulatory environment of British Columbia.
- Develop a Small Business Report Card to measure British Columbia's progress in becoming the most small business friendly jurisdiction in Canada.
- Support a Small Business Climate Action Plan to inform small business about climate action issues, engage small business in climate action opportunities, and recognize small business efforts on climate action.
- Be vigilant in ensuring that British Columbia has a competitive tax structure that enables small business to compete in the international marketplace.

Advice to Small Business Community

- Be aware, and take advantage, of the information, tools and services available to you. Start by visiting Small Business BC's website at www.smallbusinessbc.ca.
- Work with local community groups, such as the Community Futures or the Chamber of Commerce, to advocate for changes to enhance small business growth within your own region, including adopting a mobile business licence and implementing BizPaL.
- Volunteer your business expertise to local schools providing Junior Achievement BC programs – be part of developing tomorrow's entrepreneurs.
- Become informed about Climate Action initiatives – recognize and take advantage of the economic opportunities.
- Where government regulations create business impediments, take the time to tell the government about the problem and potential solution through the Straightforward BC website at www.straightforwardbc.gov.bc.ca.

Year in Review

Human Resource Access, Development and Education

Key challenges for small business include the recruitment, retention, and training of employees as well as succession planning. Over the past year, the Roundtable members have partnered with the Ministry of Small Business and Revenue and other organizations to develop products for small business to meet these challenges. Roundtable members have served on Steering Committees and as board members of Junior Achievement BC and Small Business BC, reviewing draft materials and project plans and providing advice to help ensure resulting products provide real solutions for small business owners.

- **Building Skills for Small Business:** In partnership with the Okanagan College, small business organizations, and the Ministry of Small Business and Revenue, we developed two online tools: a Human Resource Quiz (HR Quiz) and a Resource Guide, released on June 19, 2008. The HR Quiz is a diagnostic tool that helps identify where small business owners may need assistance, and provides immediate access to resources, solutions and tips. The Resource Guide is a searchable database of courses, training opportunities and other resources. These tools may be accessed at www.WorkBC.ca.
- **Employer's Toolkit:** Roundtable members were pleased to be consulted, along with Venture Kamloops, by the Ministry of Technology, Trade and Economic Development on the production of the Employers' Toolkit, released on June 19, 2008 and available at www.WorkBC.ca. The Toolkit provides small business with a suite of materials on how and where they can find, attract and retain the workers they need.

- **Junior Achievement BC:** Introducing our youth to small business and entrepreneurship not only opens doors for them, it supports the future of small business, which ultimately drives British Columbia's economy. Junior Achievement BC is a not-for-profit organization committed to providing our youth with the knowledge and skills to consider a career in small business. In 2006, the provincial government invested \$2 million in Junior

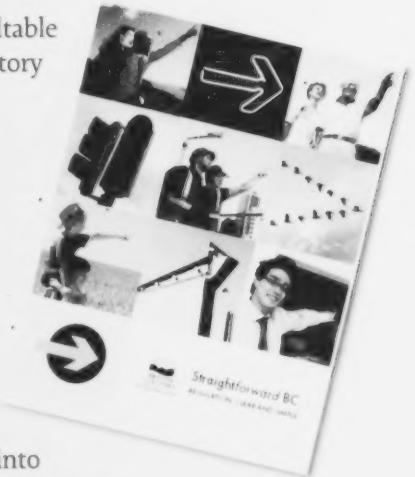
Former Minister Rick Thorpe visits with a Junior Achievement class at Quesnel Secondary School on Oct. 1, 2007

Achievement to expand the reach and breadth of their programs. Over the past year, Junior Achievement has increased the number of school districts in which their programs are available from 30 to 38, and has increased programs offered by 20 per cent. Junior Achievement is well positioned to achieve its goal of being accessible in all school districts by 2010. More information on Junior Achievement BC is available at www.jabc.org.

Regulatory Reform at all Levels of Government

The complexity of regulatory requirements imposed by all levels of government is a continuing challenge for small business. Roundtable members have worked with governments at all levels, championing any program that reduces the regulatory count or simplifies and streamlines regulatory requirements. In particular, the Roundtable is actively supporting the following initiatives.

- **Reducing the Provincial Regulatory Count:** The Roundtable applauds the provincial government's achievement of reducing the provincial regulatory count by 42.8 per cent since 2001. The Roundtable is also pleased British Columbia has implemented its recommendation to extend the zero-net increase in regulatory count until 2012. This means for every new regulation introduced, the provincial government is committed to eliminating an existing regulation.
- **Straightforward BC: Regulation, Clear and Simple:** The Roundtable was pleased to provide advice on British Columbia's new regulatory reform vision, *Straightforward BC: Regulation, Clear and Simple*. This new program focuses on cross-government initiatives to streamline regulations, saving citizens and business time in accessing government programs and services and complying with government regulations. Information on this program is available at www.straightforwardbc.gov.bc.ca.
- **Mobile Business Licence:** The Roundtable fully endorses the efforts of the seventeen municipalities in the Okanagan-Similkameen region and the provincial government in launching the Mobile Business Licence Pilot Project on January 1, 2008. These municipalities have entered into an agreement under which a mobile business can operate in all seventeen municipalities by purchasing a mobile business licence from their home municipality, rather than purchasing non-resident licences from each of the municipalities. The Mobile Business Licence reduces the complexity for business, and encourages increased compliance with municipal business licensing requirements. The interim review of the pilot project states there was a 64 per cent increase in mobile business licences



sold, with no regional revenue loss. The Roundtable strongly encourages other local governments to consider similar arrangements within their regions. Further information on the Mobile Business Licence Pilot Project is available at www.sbr.gov.bc.ca/resource-centre/business.htm.



- **BizPaL:** This is an on-line tool enabling businesses to simply and quickly identify federal, provincial and local government permits and licences required to start a particular business in a specific community. Roundtable members have been working diligently to encourage local governments to work with the province to implement BizPaL in their communities. We are pleased to note the province achieved its 2007 goal of 25 communities signed-on with BizPaL, and is well-positioned to achieve its 2008 goal of an additional 50 communities signed-on with BizPaL by March 2009. Information on BizPaL is available at www.bizpal.ca.

Former Minister Thorpe launches BizPal in Whistler May 22, 2008, together with Diane Ablonczy, federal Secretary of State for Small Business and Tourism (right) and Gordon McKeever, Acting Mayor of Whistler (left)

“Business is the only mechanism on the planet today powerful enough to produce the changes necessary to reverse global environmental and social degradation.”

— Paul Hawken, Environmentalist, Entrepreneur and Author

Climate Action Issues and Opportunities

Climate change has emerged as the greatest global environmental issue of this century. All British Columbians have a stake in how climate change affects us. British Columbia has set an ambitious target of a 33 per cent reduction in greenhouse gases by 2020. Achieving this goal will require the combined efforts of all British Columbians.

The Roundtable firmly believes that climate action is not only an environmental imperative; it is also an economic opportunity for small business. To support small business, the Roundtable has committed to work in partnership with the small business community, all levels of government, and private sector organizations to develop a Small Business Climate Action Plan tailored to the realities of small business.

To develop this plan, we have established a Small Business Climate Action Subcommittee, chaired by Roundtable Member Ian Tostenson, President, BC Food and Restaurant Association. By January 2009, the Subcommittee will produce an Action Plan with strategies for small business to take advantage of the opportunities presented by climate change, while at the same time contributing to the overall reduction in carbon emissions.

Reducing Tax Complexity and Ensuring Tax Competitiveness

A competitive and streamlined tax structure benefits British Columbians by making it easier to do business, and encouraging business growth and investment in the province. The Roundtable recognizes and appreciates the efforts of the provincial government to address this issue.

- **PST Review:** The Ministry of Small Business and Revenue undertook a review of the social service tax, also called the provincial sales tax (PST). During 2006 and 2007, over 20 consultations were held with small business owners in all regions of the province to identify ways to simplify, streamline and enhance the fairness of the tax. The resulting changes, as announced in Budget 2007 and 2008, provides an average of \$43 million in annual savings for businesses across British Columbia.

- **Corporate Tax Changes:** The Roundtable acknowledges that some inroads have been made with respect to tax reductions. The small business tax threshold was raised to \$300,000 in 2002, and to \$400,000 in 2005, increasing the number of businesses paying the lower rate. While the small business corporate tax rate was lowered from 4.5 per cent to 3.5 per cent on July 1, 2008, this reduction is intended to neutralize the impact of the Carbon Tax, so is unlikely to have an overall impact on small business.

While these changes are positive steps in support of small business, there is still more to be done. Reviews to streamline and simplify taxation should occur on a regular basis

PST REVIEW RESULTS

Tax changes resulting from the PST Review benefit small business include:

- Extended timeline for remitting tax returns
- Increased threshold for less frequent filing of tax returns
- Reduced audit assessment and record retention periods
- Increased threshold for registering and collecting PST
- Expanded farm and aquaculture exemptions
- Expanded exemption for work related safety equipment
- Clarifying and simplifying tax application to real property contracts
- Clarifying tax applications to partnership, trusts and amalgamations

and should be undertaken for all tax statutes. This will enable identification of dated requirements no longer compatible with today's business realities. As small business growth and success becomes increasingly reliant on finding new foreign markets, the province must be vigilant and ensure a competitive tax environment if small business is to compete successfully on an international scale.

Increasing Access to Small Business Training and Information in All Regions of British Columbia

Accessibility to training and information resources in all regions of British Columbia has been a recurrent theme during small business consultations. Small Business BC, a not-for-profit organization jointly funded by Western Economic Diversification Canada and the Ministry of Small Business and Revenue, is a key resource, providing training, tools and services to small business.

Small Business Roundtable members sit on the Board of Small Business BC to advocate on behalf of the needs of the small business community, facilitate partnerships with public and private sector organizations, and bring about meaningful solutions to small business concerns.

Over the past year, the focus has been on expanding the reach of Small Business BC with the following successes.

- Expanded partnership developed with delivery of Small Business BC's services through Service BC and FrontCounter BC locations.
- Facilitating access to resources and information by providing website linkages to public and private sector organizations, which provide small business information, training and tools.
- Expanded reach of services to all regions of the province through video conferencing centers established in partnership with Community Futures, FrontCounter BC, and BC Chamber of Commerce. This network allows greater access to business workshops and seminars in communities across the province, enabling entrepreneurs to benefit from a wider range of business training and development programs necessary to start and grow a small business.

Roundtable Commitments Moving Forward

- Continue our dialogue with small business, holding consultations in all regions of the province.
- Continue to work in partnership with all levels of government and with private organizations to develop real solutions to encourage the growth and success of small business, focusing on the key areas of:
 - Human resource access, development and education
 - Regulatory reform
 - Climate action
 - Tax competitiveness
 - Accessibility of small business tools and services in all regions of the province



Small Business Roundtable Members

Linda Larson
Vice-Chair,
Small Business Roundtable
Former Mayor of Oliver



Garnet Etsell
President and Owner,
Colling Hill Farms Ltd. and
Spring Meadow Farms Ltd.



Sue Adams
Managing Partner,
Bevendale Enterprises



Christina Anthony
Director and Portfolio Mgr/
Odlum Brown Ltd, President
and Founder, Forum for
Women Entrepreneurs



John Cameron
CEO Rock Solid Business
Coaching Inc.

Cindy Choi
Manager, Chan & Company,
Certified General
Accountants



David Littlejohn
Professional Campground
Operator, Living Forest
Oceanside Campground



Robert Fine
Executive Director,
Economic Development
Commission of the
Central Okanagan



Garth Frizzell
Founder & CEO,
Terra Cognita Software
Systems, Inc.



Laura Jones
Vice-President, British
Columbia and Yukon
Canadian Federation
of Independent Business

Max Logan
Director of Government
Relations and Membership
Services for BC Retail
Council of Canada



Mark Startup
President and CEO,
Retail British Columbia



Mark Nairn
Owner and President,
Beamac Installations Ltd.
Owner, Bar M7 Ranch



Coralee Oakes
Executive Director,
Quesnel & District
Chamber of Commerce



J. Murray Presley
Councillor, City of
Courtenay and Managing
Partner, Presley & Partners
Chartered Accountant

Tony Singh
President,
Fruitcana Produce Ltd.



Ian Tostenson
President and CEO,
British Columbia
Restaurant & Food
Services Association



M.J. Whitemarsh
CEO, Canadian Home
Builders' Association
British Columbia



Judy Wilson
Chief of the Neskonlith
Indian Band in the
BC Interior



John Winter
President and CEO,
British Columbia Chamber
of Commerce

Naomi Yamamoto
Owner, Tora Design Group
and President and General
Manager, North Vancouver
Chamber of Commerce

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 **4,302 gallons** of water

 **885 lbs** of greenhouse gases

 **5824 BTU (000)** energy

 **456 lbs** of solid waste

 **5 trees**

 **2,926 lbs** of wood

Resource Information

Small Business Roundtable

Website: www.smallbusinessroundtable.ca
Email: RoundtableSecretariat@gov.bc.ca
Tel: (250) 387-4699

Ministry of Small Business and Revenue Consumer Taxation Branch

Website: www.rev.gov.bc.ca/ctb/index.htm
Email: CTBTaxQuestions@gov.bc.ca
Tel: 1-877-388-4440

Small Business BC

Website: www.smallbusinessbc.ca
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